

LOAN AGREEMENT AMONG THE CITY OF BURBANK,
THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK,
AND THE HOUSING AUTHORITY OF THE CITY OF BURBANK

This Loan Agreement among the City of Burbank, the Redevelopment Agency of the City of Burbank and the Housing Authority of the City of Burbank is entered into on June 14, 2011.

Recitals

A. The City of Burbank ("City") desires to assist the Housing Authority of the City of Burbank ("Authority") by reconciling certain funding needs in the Housing Assistance Program ("Program"), an affordable housing program in the City.

B. These needs arose when City allocated costs for the administration of the Program exceeded that amount allowed by federal regulations.

C. Because City is experiencing other fiscal commitments, the Redevelopment Agency of the City of Burbank ("Agency") desires to assist the Program by lending City the necessary funds needed by the Authority, and agreeing that such loan shall be repaid solely out of existing debt currently owed to the City by the Agency.

D. City, in turn, will lend the funds to the Authority, but require repayment only if the Authority receives any funds unrelated to federal programs or certain affordable housing activities. If no such funds exist, which at this time, are not expected, then the loan shall be forgiven in full, or in part, should some funds become available.

NOW THEREFORE the parties agree as follows:

1. Definitions:

a) *Agency Loan* shall mean the loan between the Agency and the City which was entered into in 1985 concerning debt arising in the City Centre Project Area and is listed on the Agency Statement of Indebtedness, which currently is valued at approximately \$ 35.1 million as of the date of this Loan Agreement.

b) *City Loan* means the loan dated June 14, 2011, whereby the Agency lends the City \$1,327,404.39, in accordance with this Loan Agreement and the Promissory Note set forth as Exhibit "A".

c) *Authority Loan* means the loan dated June 14, 2011, whereby the City lends the Authority \$1,327,404.39, in accordance with this Loan Agreement and the Promissory Note set forth as Exhibit "B".

2. City Loan. The Agency agrees to lend City One Million, Three Hundred Twenty-Seven Thousand, Four Hundred and Four Dollars and Thirty-Nine Cents (\$1,327,404.39) (hereafter the "City Loan"). The City shall enter into a Promissory Note set forth as Exhibit "A", attached hereto and incorporated herein by this reference. The obligation shall be repaid by the City solely out of the following source of funds: proceeds owed by the Agency from that certain note between the Agency and the City dated 1985 concerning expenditures made in the City Centre Project Area (approximately in the amount of \$ 35.1 million) (hereafter the "Agency Loan"). Present payment plan of the Agency Loan requires ten equal payments to the City upon termination of the City Centre project area or upon termination of the redevelopment agency by the state (whichever is earlier). No other source of City funds may be used to repay the City Loan, and this is not a debt of the City general fund. The City Loan shall be due in one payment after City receives the final payment on Agency Loan. If the Agency does not repay the City the Agency Loan, then the City does not need to repay the Agency for this City Loan. There shall be no interest on the City Loan.

This obligation is not a general debt of the City's General Fund. It is a debt to be repaid solely out of a specific source of funds. If that source of funds is not received by the City, in whole or part, then this debt is forgiven.

3. Authority Loan. City agrees to lend the principal sum of One Million, Three Hundred Twenty-Seven Thousand, Four Hundred and Four Dollars and Thirty-Nine Cents (\$1,327,404.39) to the Authority the "Authority Loan"). The Authority shall enter into a Promissory Note set forth as Exhibit "B", attached and incorporated herein by this reference to evidence the obligation of Authority to City for the repayment of the aforesaid amounts ("Authority Loan"). The obligation shall be repaid by the Authority, upon demand by the City, only if the Authority has funds remaining in its budget after the Authority has used all funds from i) federal housing programs, including but not limited to the Housing Assistance Program; and all funds ii) related to affordable housing condemnation activities which may be funded by another entity. Subject to the foregoing, the Authority Loan shall be due to City in one payment on the same date that the Redevelopment Agency makes its final payment to the City in accordance with the Agency Loan. There shall be no interest on the Authority Loan.

4. Severability. If any term, provision, condition or covenant of this Agreement or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

5. Time of Essence. Time is expressly made of the essence with respect to the performance by the parties.

6. Cooperation. Each party agrees to cooperate with the other in this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Loan Agreement.

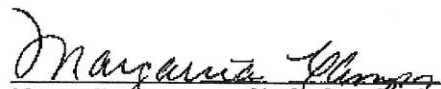
IN WITNESS WHEREOF City, Agency, and Authority have executed this Agreement as of the date first set forth above.

"CITY"

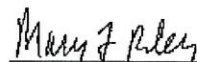
CITY OF BURBANK, a municipal corporation
and charter city

By: 
Michael S. Flad, City Manager

Attest:

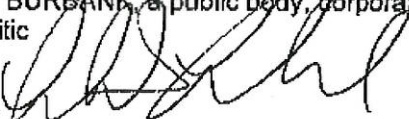

Margarita Campos, CMC, City Clerk

Approved as to Form and Legal Content
Dennis A. Barlow, City Attorney

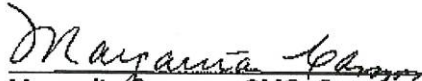

By: Mary F. Riley, Sr. Asst. City Attorney

"AGENCY"

REDEVELOPMENT AGENCY OF THE CITY
OF BURBANK, a public body, corporate and
politic

By: 
Michael S. Flad, Executive Director

Attest:


Margarita Campos, CMC, Secretary

"AUTHORITY"

HOUSING AUTHORITY OF THE CITY OF
BURBANK, a corporate and politic body

By: 
Michael S. Flad, Executive Director

Attest:

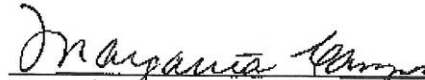

Margarita Campos, CMC, Clerk

EXHIBIT "A"

PROMISSORY NOTE TO REDEVELOPMENT AGENCY
OF THE CITY OF BURBANK

[attached]

**PROMISSORY NOTE TO REDEVELOPMENT AGENCY
OF THE CITY OF BURBANK**

\$1,327,404.39

_____, 2011
Burbank, California

FOR VALUE RECEIVED, THE UNDERSIGNED, CITY OF BURBANK, a California municipal corporation (the "City"), having its office at 275 East Olive Avenue, Burbank, California 91510, hereby promises to pay to the **REDEVELOPMENT AGENCY OF THE CITY OF BURBANK**, a public body, corporate and politic, (the "Agency"), the principal sum of **One Million, Three Hundred Twenty-Seven Thousand, Four Hundred and Four Dollars and Thirty-Nine Cents (\$1,327,404.39)** the "Note Amount") as provided in that certain Loan Agreement ("Agreement") among City, Agency and the Housing Authority of the City of Burbank ("Authority"). City's monetary obligation is subject to the terms of the Agreement and this Note. The provisions of the Agreement are incorporated herein by this reference.

1. This Note evidences the obligation of City to Agency for the repayment of the aforesaid amounts ("City Loan").
2. This Note is not secured, and shall be repaid by the City solely out of the following source of funds: proceeds owed by the Agency from that certain note between the Agency and the City dated 1985 concerning expenditures made in the City Centre Project Area (approximately, as of the date of this Note, \$35.1 million) (hereafter the "Agency Loan"). Present payment plan of the Agency Loan requires ten equal payments to the City upon termination of the City Centre project area or upon termination of the redevelopment agency by the state (whichever is earlier). No other source of City funds may be used to repay the City Loan, and this is not a debt of the City general fund.
3. The City Loan shall be due in one payment after City receives the final payment on Agency Loan. If the Agency does not repay the City the Agency Loan, then the City does not need to repay the Agency for this City Loan.
4. There shall be no interest on the City Loan.
5. The City payment is due without demand notice, or counterclaim; provided however, City may allow an offset of the final payment owed to City by Agency under the Agency Loan.
6. Payment under this Note is payable, in lawful money of the United States, at the principal office of the Agency at 275 East Olive Avenue, Burbank, California 91502.

7. Notice of presentment, demand, protest and all notices of every kind, are hereby waived by City. This Note is executed and delivered in the State of California and shall be governed and construed in accordance with the laws of the State of California.

8. This Note is not a general debt of the City's General Fund. It is a debt to be repaid solely out of a specific source of funds. If that source of funds is not received by the City, in whole or part, then this debt is forgiven.

"CITY"
CITY OF BURBANK, a municipal
corporation and charter city

By: _____
Michael S. Flad, City Manager

Attest:

Margarita Campos, CMC, City Clerk

Approved as to Form and Legal Content
Dennis A. Barlow, City Attorney

By: Mary F. Riley, Sr. Asst. City Attorney

EXHIBIT "B"

PROMISSORY NOTE TO THE CITY OF BURBANK

[attached]

**PROMISSORY NOTE TO
THE CITY OF BURBANK**

\$1,327,404.39

_____, 2011
Burbank, California

FOR VALUE RECEIVED, THE UNDERSIGNED, HOUSING AUTHORITY OF THE CITY OF BURBANK (the "Authority"), having its office at 275 East Olive Avenue, Burbank, California 91510, hereby promises to pay to the **CITY OF BURBANK**, (the "City"), the principal sum of **One Million, Three Hundred Twenty-Seven Thousand, Four Hundred and Four Dollars and Thirty-Nine Cents (\$1,327,404.39)** (the "Note Amount") as provided in that certain Loan Agreement ("Agreement") among City, Agency and the Housing Authority of the City of Burbank ("Authority"). Authority's monetary obligation is subject to the terms of the Agreement and this Note.

1. This Note evidences the obligation of Authority to City for the repayment of the aforesaid amounts ("Authority Loan").

2. This Note is not secured, and shall be repaid by the Authority, upon demand by the City, only if the Authority has funds remaining in its budget after the Authority has used all funds from i) federal housing programs, including but not limited to the Housing Assistance Program; and all funds ii) related to affordable housing condemnation activities which may be funded by another entity.

3. Subject to paragraph 2 above, the Loan shall be due to City in one payment on the same date that the Redevelopment Agency makes its final payment to the City in accordance with the Agency Loan.

4. There shall be no interest on the Authority Loan, as defined in the Agreement.

5. The payment is due upon demand, notice, or counterclaim; provided however, City will forgive the final payment owed by Authority under the Authority Loan if Authority fails to have funds as identified in paragraph 2 above on the payment date of the Authority Loan.

6. Payment under this Note is payable, in lawful money of the United States, at the principal office of the City at 275 East Olive Avenue, Burbank, California 91502.

7. This Note is executed and delivered in the State of California and shall be governed and construed in accordance with the laws of the State of California.

8. This Note is a debt of the Authority, to be repaid only out of certain funds, if such funds are ever received. If not, this Note shall be fully forgiven on the payment date.

"AUTHORITY"
HOUSING AUTHORITY OF THE
CITY OF BURBANK, a corporate and
politic body

By: _____
Michael S. Flad, Executive Director

Attest:

Margarita Campos, CMC, Clerk

Approved as to Form and Legal Content
Dennis A. Barlow, City Attorney

By: Mary F. Riley, Sr. Asst. City Attorney